

# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

October 23, 2006

**FILED ELECTRONICALLY AND ORIGINAL VIA 1<sup>ST</sup> CLASS MAIL SERVICE**

The Honorable Charles L.A. Terreni

Chief Clerk

**South Carolina Public Service Commission**

Post Office Drawer 11649

Columbia, South Carolina 29211

RE: Application of Phone1, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Operator Assisted Interexchange Telecommunications Services Within the State of South Carolina and for Alternative Regulation First Granted in Docket No. 95-661-C  
**Docket No. 2006-260-C, Our File No. 1212-11385**

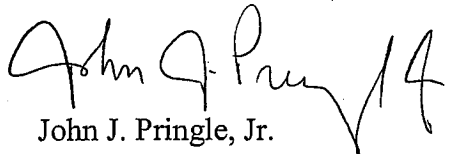
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Pre-filed Testimony of Geren Anderson** filed on behalf of Phone1, Inc. in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: F. David Butler, Esquire  
Wendy Cartledge, Esquire  
Ms. Kristin Marculaitis  
Ms. Monique Byrnes

Enclosures

**THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.**

**BEFORE THE  
STATE OF SOUTH CAROLINA  
PUBLIC SERVICE COMMISSION**

In re: Application of	)	
<b>Phone1, Inc.</b>	)	
for a Certificate of Public Convenience	)	
and Necessity to Provide Intrastate Resold	)	Docket No.: 2006-260-C
and Operator Assisted Interexchange	)	
Telecommunications Services Within the	)	
State of South Carolina and for	)	
Alternative Regulation	)	

---

**Phone1, Inc.  
("Phone1")**

**Prefiled Testimony of**

**Geren Anderson – Director of Regulatory/Operator Services**

1 **Q. Will you please state your name and business address.**

2  
3 A. My name is Geren Anderson. My business address is 7411 John Smith Drive, Suite 200, San  
4 Antonio, Texas 78229.

5  
6 **Q. By whom are you employed and in what capacity?**

7 A. I am Director of Regulatory/Operator Services for Phone1, Inc.  
8

9 **Q. Please give a brief description of your background and experience.**

10 A. I am Director of Regulatory/Operator Services. In this capacity I am responsible for  
11 certification and tariffing of the company and working to ensure that information is kept up  
12 to date. I am also responsible for the national sales effort regarding the operator services and  
13 direct dial services the company offers to pay telephone providers and other customers.  
14

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to present evidence describing the technical, managerial and  
17 financial fitness of Phone1 to provide alternate operator services in South Carolina. This  
18 testimony will also describe the services proposed by Phone1 and the proposed tariff  
19 structure. Finally, the purpose of my testimony is to show that the public interest will be  
20 served by approval of the application of Phone1 for a certificate of public convenience and  
21 necessity.  
22

23 **Q. Has Phone1 registered to do business in South Carolina?**

24 A. Yes. Phone1, Inc. received foreign corporation authority on February 19, 2004. A copy of  
25 the Certificate of Authority to transact business as a foreign corporation in the State of South  
26 Carolina was attached to the Application as Exhibit II.  
27

28 **Q. Please explain the Company's corporate structure.**

29 A. Phone1 is a wholly-owned subsidiary of Phone1 GlobalWide, a publicly held company.

1 Phone1 was incorporated in Florida on December 6, 2000. A copy of Phone1's Articles of  
2 Incorporation were attached to the Application as Exhibit I.

3  
4 **Q. Please describe the services Phone1 proposes to offer.**

5 A. Phone1 intends to provide telecommunications service throughout the State of South  
6 Carolina. Phone1 will provide long distance operator assisted services to call aggregator  
7 locations such as pay telephones and hospitality locations. Service will be provided  
8 twenty-four (24) hours per day, seven (7) days a week.  
9 Service is provided through underlying carriers that have been selected for the best  
10 combination of quality and price. Each customer is presubscribed to the underlying  
11 carrier's network. In turn, the underlying carrier identifies the ANI of the Phone1  
12 customer and periodically sends the call detail to Phone1 for billing.

13  
14 **Q. Does Phone1 own any network switches or transmission facilities used in routing calls?**

15 A. The company has a switch in Florida and one in New York.

16  
17 **Q. How will Phone1 bill for its services?**

18 A. Customers will be billed through the local exchange company. Phone1 will utilize the billing  
19 clearinghouse of Billing Concepts for billing purposes.

20  
21 **Q. How are trouble reports, billing errors and complaints handled?**

22 A. Phone1 utilizes a nationwide toll-free number 800-658-6041 for customer service.  
23 Customers may call that number twenty-four (24) hours per day, seven (7) days per week.  
24 The Customer Service Department is staffed The Customer Service Department is staffed  
25 twenty-four (24) hours per day, seven (7) days per week.

26  
27 **Q. Describe the proposed Phone1 South Carolina tariff.**

28 A. Phone1 has included a proposed interexchange tariff which contains the rules, regulations  
29 and rates for Phone1's interexchange services as Exhibit V to the company's application.

1 **Q. Where is Phone1 currently certificated?**

2 A. At this time the Company is authorized to provide service in the following states:  
3 Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois,  
4 Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan,  
5 Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New  
6 Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon,  
7 Pennsylvania, Rhode Island, South Dakota, Texas, Utah, Vermont, Virginia, Washington,  
8 West Virginia, Wisconsin and Wyoming.  
9

10 **Q. Describe Phone1's financial ability to operate as a telecommunications reseller.**

11 A. Phone1 has prepared financial statements to show it has the financial resources to operate  
12 successfully as a telecommunications reseller to consumers in South Carolina. The  
13 Company's financial statements were included as Exhibit IV of its Application.  
14

15 **Q. Do you believe Phone1 is capable of delivering its proposed services in South Carolina?**

16 A. Yes, in addition to having sufficient financial resources, Phone1 has a team of  
17 experienced managers. Brief resumes of key personnel were as Exhibit III to the  
18 Company's application.  
19

20 **Q. Where in South Carolina does Phone1 intend to offer its services and how will those  
21 services be offered?**

22 A. Services will be available through public pay telephones and through hospitality locations  
23 such as hotels and motels. The company intends to offer its services statewide.  
24

25 **Q. What regulatory treatment is Phone1 seeking in this application?**

26 A. We request that all of its long distance business services and operator assisted service  
27 offerings be regulated pursuant to the procedures described and set out in Docket No. 95-  
28 661-C and as modified by Order No. 2001-997-C in Docket No. 2000-407-C. It is  
29 Phone1's intent by this request to have these services regulated in the same manner as this

Commission has permitted for by AT&T Communications of the Southern States.

Specifically, Phone1, Inc. requests:

- (a) removal of maximum rate tariff requirements for its business services operator assisted service;
- (b) that tariff filings for these uncapped offerings are presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven days, the tariff filing will be suspended until further order of the Commission; and
- (c) any relaxation in the reporting requirements that may be adopted for AT&T shall apply to Phone1 also.

We understand that the alternative regulation orders were modified by Order No. 2001-997 so that rate caps apply for operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider. The order imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

**Q. Is the company seeking exemptions from any of South Carolina's regulatory requirements?**

A. Phone1 requests a waiver of the requirement of 26 S.C. Reg. 103-610 that a carrier keep all records required by the Commission's rules and regulations within the State of South Carolina. Since the company's corporate office is in California, maintaining its books and records in South Carolina would be unduly burdensome. Phone1 will have a registered agent in South Carolina and will bear any costs associated with the Commission's inspection of its books and records.

Phone1 also seeks an exemption for any policies that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. As a competitive carrier, Phone1 maintains its books in accordance with Generally Accepted Accounting Principles; and therefore, does not possess the detailed cost data required by USOA.

1   **Q.    How will South Carolina consumers benefit from Phone1's services?**

2   A.    Certification of Phone1 will increase the level of long distance competition in South  
3       Carolina. Phone1 offers quality long distance services at competitive prices. In addition,  
4       Phone1's marketing plan will expand subscriber awareness of options and services  
5       available to them, thus encouraging the growth and success of competitive services.

6

7   **Q.    Does this conclude your testimony?**

8   A.    Yes.